IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

TRISTRATA TECHNOLOGY, INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 01-150 JJF
	:	
ICN PHARMACEUTICALS, INC.,	:	
	:	
Defendant.	:	

Arthur G. Connolly, III, Esquire and Francis DiGiovanni, Esquire of CONNOLLY, BOVE, LODGE & HUTZ LLP, Wilmington, Delaware.
Of Counsel: Michael O. Warnecke, Esquire, David R. Melton, Esquire, and Douglas L. Sawyer, Esquire of MAYER, BROWN, ROWE & MAW LLP, Chicago, Illinois.
Kevin M. McGovern, Esquire and Brian T. Foley, Esquire of McGOVERN & ASSOCIATES, Greenwich, Connecticut.
Attorneys for Plaintiff Tristrata Technology, Inc.

Steven J. Balick, Esquire of ASHBY & GEDDES, Wilmington, Delaware.
Of Counsel: Raymond A. Kurz, Esquire, Celine Jimenez Crowson, Esquire, and H. Keeto Sabharwal, Esquire of HOGAN & HARTSON, LLP, Washington, D.C.
Attorneys for Defendant ICN Pharmaceuticals, Inc.

MEMORANDUM OPINION

April 12, 2004

Wilmington, Delaware

Farnan, District Judge.

Presently before the Court are two motions, Tristrata Technology, Inc.'s ("Tristrata") Motion For Permanent Injunction (D.I. 169) and ICN Pharmaceuticals, Inc.'s ("ICN") Motion To Stay Entry Of Permanent Injunction Pending The Outcome Of Appeal. (D.I. 190.) For the reasons set forth below, the Court will grant Tristrata's Motion and deny ICN's Motion.

DISCUSSION

I. Tristrata's Motion For Permanent Injunction (D.I. 169)

A. Parties' Contentions

Tristrata contends that a permanent injunction is appropriate in this case because the jury found that its U.S. Patent Nos. 5,561,157 (the "'157 patent") and 5,665,776 (the "'776 patent") were valid and that ICN committed willful infringement. Tristrata asserts that irreparable injury is presumed where, as here, a patent is found valid and infringed. Further, Tristrata contends that it has no adequate remedy at law. Tristrata also asserts that ICN has not provided any sound reason to deny a permanent injunction.

ICN responds that the Court should deny the Motion because the patents at issue are invalid as indefinite. Thus, ICN contends that it would be impossible for it to avoid violating the permanent injunction because even Tristrata is unable to define the scope of its patent rights. Further, ICN contends

that the Motion should be denied because Tristrata's proposed order for a permanent injunction does not satisfy the specificity requirements of Rule 65 of the Federal Rules of Civil Procedure.

B. Decision

The essence of the property right granted by a patent is the right to exclude. Richardson v. Suzuki Co., Ltd., 868 F.2d 1226 (Fed. Cir. 1989). Pursuant to 35 U.S.C. § 283, district courts may enforce this right by granting an injunction. The decision of whether to grant a permanent injunction remains within the discretion of the district court. W.L. Gore & Assoc., Inc. v. Garlock, Inc., 842 F.2d 1275, 1281 (Fed. Cir. 1988)(citing Windsurfing Int'l, Inc. V. AMF, Inc., 782 F.2d 995, 1002 (Fed. Cir.), cert. denied, 477 U.S. 905 (1986)). However, once infringement has been established, absent a sound reason for denying it, an injunction should issue. Id. (citations omitted); Richardson, 868 F.2d at 1247; KSM Fastening Sys. v. H.A. Jones Co., Inc., 776 F.2d 1522, 1524 (Fed. Cir. 1985).

Following the close of evidence, the jury returned a verdict finding the '157 patent and the '776 patent to not be invalid and claims 1, 9, 17, and 25 of the '157 patent and claims 19, 20, and 26 of the '776 patent to be infringed by ICN. Therefore, the only issue before the Court is whether ICN has presented a sound reason for denying the issuance of a permanent injunction. See W.L. Gore, 842 F.2d at 1281; Richardson, 868 F.2d at 1247; KSM,

776 F.2d at 1524. The Court concludes that it has not.

ICN's justifications for the denial of a permanent injunction are that: 1) the '157 and '776 patents are invalid; and 2) the injunction is not sufficiently specific because Tristrata does not provide a numerical cut-off for what amount of alpha hydroxyacids constitute an "enhancing amount." Both of ICN's contentions have previously been rejected by the Court in the Memorandum Opinion denying ICN's Motion for Reconsideration, Motion for New Trial, and Motion for Judgment as a Matter of Law (the "Post-Trial Motions"). Accordingly, the Court will not revisit ICN's identical objections reasserted in the instant motion.

II. ICN's Motion To Stay Entry Of A Permanent Injunction Pending The Outcome Of Appeal (D.I. 190)

A. Parties' Contentions

ICN contends that the Court should stay the entry of a permanent injunction pending the appeal because, as argued in its Post-Trial Motions, the claim term "enhancing amount" is invalid as indefinite. ICN also contends that it will be irreparably harmed if the Court denies it a stay because the relief Tristrata seeks is overbroad. ICN maintains that the overbreadth of Tristrata's proposed injunction order is evidenced by the fact that Tristrata seeks to enjoin ICN from making or selling products other than those found to be infringing at trial. Further, ICN contends that refusing to stay the permanent

injunction will harm the public interest because the '157 and '776 patents are invalid.

In response, Tristrata contends that ICN continues to incorrectly maintain that Tristrata's patents are invalid despite the fact that the Court denied ICN summary judgment on invalidity and the jury found the '157 and '776 patents to not be invalid. Tristrata also asserts that its proposed order is not overly broad; however, Tristrata requests that if the Court concludes otherwise, the Court should not refuse to issue any injunction, but modify its proposed order. In addition, Tristrata contends that the Court should disregard ICN's suggestions regarding harm to the public interest because its patents are not invalid.

B. Decision

A stay of an injunction pending appeal may be granted if a movant demonstrates the appropriateness of a stay under four criteria: 1) whether the movant has made a strong showing that he or she is likely to succeed on the merits on appeal; 2) whether the movant will be irreparably injured by the imposition of a stay; 3) whether the issuance of a stay will irreparably injure other parties interested in the proceedings; and 4) whether there is harm to the public interest. Standard Havens Prods., Inc. v. Gencor Indus., Inc., 897 F.2d 511, 512 (Fed. Cir. 1990)(citations omitted); Fisher-Price, Inc. v. Safety 1st, Inc., 279 F. Supp. 2d 526, 529 (D. Del. 2003)(citations omitted). A court is not

required to give equal weight to each factor; instead, courts should use a flexible balancing approach. Standard Havens, 897 F.2d at 513. Applying these considerations to ICN's assertion that it is entitled to a stay pending appeal, the Court will deny ICN's Motion.

First, the Court concludes that ICN has not made the type of strong showing of success on the merits on appeal that courts have held weigh in favor of granting a stay. In Standard Havens, the Federal Circuit held that a decision by a commissioner of the Patent and Trademark Office (the "PTO") to reexamine the patent at issue, following a jury verdict finding the patent not invalid, raised substantial questions of invalidity. 897 F.2d at 513-15. Similarly, in E.I. DuPont De Nemours & Co. v. Phillips Petroleum Co., 835 F.2d 277 (Fed. Cir. 1987), the Federal Circuit held that the PTO's rejection of the patentee's reissue application, the appeal of which was stayed pending the ultimate decision by the district court finding the patent to be not invalid, raised substantial legal questions for appeal. The Court concludes that the instant case is distinguishable from both Standard Havens and E.I. DuPont in that ICN's arguments that it will be successful on appeal have been rejected by the jury, when it held the '776 and '157 patents to not be invalid, and by the Court in denying ICN's pretrial and Post-Trial Motions. Unlike the movants in Standard Havens and E.I. DuPont, ICN has

not pointed to any special circumstances in this case indicating its likely success on appeal. Thus, the Court concludes that the mere assertion by ICN of appealable issues does not equate to a showing of likely success on the merits on appeal. See Eaton Corp. v. Parker-Hannifin Corp., 292 F. Supp. 2d, 555, 582 (D. Del. 2003)(stating that the "possibility of appellate de novo review of its claim construction [did not] constitute[] an extraordinary circumstance to merit a stay."). Accordingly, the Court concludes that the first factor weighs against the issuance of a stay.

Second, the Court finds that ICN will not be irreparably injured if the Court denies it a stay. ICN's assertion of irreparable injury is based on the fact that Tristrata's proposed order is, in ICN's opinion, overbroad. However, the Court will address this concern by fashioning an appropriate order.[1] The

[1] In fashioning an appropriate injunction order, the Court will delete the words "but not limited to," in the second to last paragraph of Tristrata's proposed order. Tristrata's proposed order seeks to enjoin ICN, and potential collaborators, "from making, using, selling, or offering to sell the products adjudged to have infringed the TTI Patents, including, but not limited to, Viquin, Glyquin, and Glyquin XM." (D.I. 169)(emphasis added). The products found to have infringed the '157 and '776 patents in this case were Viquin, Glyquin, and Glyquin XM. Thus, the Court will strike the additional language "but not limited to" because there were no other products produced or sold by ICN found to be infringing at trial. See KSM Fastening Sys., Inc. v. H.A. Jones Co., Inc., 776 F.2d 1522, 1526 (Fed. Cir. 1985)(noting that the universal rule of "contempt proceedings [is that they] are available only with respect to devices previously admitted or adjudged to infringe, and to other devices which are no more than colorably different therefrom and which clearly are infringements

Court also finds that Tristrata would be irreparably injured were the Court to issue a stay pending appeal. Controlling precedent teaches that irreparable injury is presumed where the evidence strongly shows patent validity and infringement. Richardson, 868 F.2d at 1247 (quoting H.H. Robertson Co. v. United Steel Deck, Inc., 820 F.2d 384, 290 (Fed. Cir. 1987), overruled on other grounds, Markman v. Westview Instruments, Inc., 52 F.3d 967 (Fed. Cir. 1995)). In the instant case, the jury found that ICN committed willful infringement and that Tristrata's patents are not invalid. These verdicts were further supported by the Court's decisions denying ICN's Post-Trial Motions. Thus, the Court concludes that the second and third factors weigh against the issuance of a stay.

Finally, the Court concludes that ICN's contention that the public interest will be harmed if the Court denies it a stay pending appeal does not support the issuance of a stay. Again, ICN's arguments are merely repetitions of arguments previously rejected by the Court.

In sum, the Court concludes that a stay pending appeal is not justified in this case. All four of the Stanford Havens factors weigh against the issuance of a stay, and accordingly, the Court will deny ICN's Motion.

---

of the patent."); Robert L. Harmon, Patents and the Federal Circuit 770-71 (5th ed. 2001).

CONCLUSION

For the reasons discussed, the Court will grant Tristrata's Motion For Permanent Injunction (D.I. 169) and deny ICN's Motion To Stay Entry Of Permanent Injunction Pending The Outcome Of Appeal. (D.I. 190.)

An appropriate Order will be entered.

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

TRISTRATA TECHNOLOGY, INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 01-150 JJF
	:	
ICN PHARMACEUTICALS, INC.,	:	
	:	
Defendant.	:	

O R D E R

At Wilmington, this 12th day of April, 2004, for the reasons discussed in the Memorandum Opinion issued this date;

IT IS HEREBY ORDERED that:

1) Tristrata Technology, Inc.'s ("Tristrata") Motion For Permanent Injunction (D.I. 169) is **GRANTED**;

2) ICN Pharmaceuticals, Inc.'s ("ICN") Motion To Stay Entry Of Permanent Injunction Pending The Outcome Of Appeal (D.I. 190) is **DENIED**.

JOSEPH J. FARNAN, JR.
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

TRISTRATA TECHNOLOGY, INC.,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 01-150 JJF
	:	
ICN PHARMACEUTICALS, INC.,	:	
	:	
Defendant.	:	

PERMANENT INJUNCTION ORDER

WHEREAS, Plaintiff Tristrata Technology, Inc. ("Tristrata") has moved for an Order pursuant to 35 U.S.C. § 283 and Federal Rule of Civil Procedure 65(d), that ICN Pharmaceuticals, Inc. ("ICN") be permanently enjoined from further infringing U.S. Patent Nos. 5,561,157 (the "'157 patent") and 5,665,776 (the "'776 patent");

WHEREAS, the Court granted Tristrata's Motion For Permanent Injunction (D.I. 169);

WHEREAS, the Court denied ICN's Motion To Stay Entry Of Permanent Injunction Pending The Outcome Of Appeal (D.I. 190);

WHEREAS, the Court finds and concludes as follows:

1) The jury in this case returned a verdict finding that ICN's Viquin, Glyquin, and Glyquin XM products infringe claims 1, 9, 17 and 25 of the '157 patent;

2) The jury in this case returned a verdict finding that ICN's Viquin, Glyquin, and Glyquin XM

products infringe claims 19, 20, and 26 of the '776 patent;

3) The jury in this case returned a verdict finding that the '157 and '776 patents are not invalid;

4) The jury in this case returned a verdict finding willful infringement of the '157 and '776 patents by ICN;

5) There is no sufficient reason why a permanent injunction is not appropriate in this case;

NOW THEREFORE, IT IS HEREBY ORDERED that ICN, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, shall be permanently enjoined from infringing, either directly, by contribution, or by inducement, the '157 and '776 patents, and from making, using, selling, or offering to sell the products adjudged to have infringed the '157 and '776 patents, including Viquin, Glyquin, and Glyquin XM.

ICN shall take immediate steps to comply with this Order, and shall fully comply within seven (7) days of the date of entry of this Order.

April 12, 2004
DATE

JOSEPH J. FARNAN, JR.
UNITED STATES DISTRICT JUDGE